



*Randolph County*

*Purchasing Policy*

Effective on November, 2001

Approved by \_\_\_\_\_  
William F. Willis  
County Manager

<sup>1</sup> Amended December 5, 2005

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## **I. INTRODUCTION**

A considerable portion of the expenditures of every government is for purchases of goods and services. A local government's power to make purchases and contracts, like other powers, is derived from the Legislature and is subject to such limitations and restrictions as it may impose. The basic grant of power to purchase and contract for counties is found in North Carolina General Statutes 153A-11. The provisions within this policy shall be in compliance with the North Carolina General Statutes regarding purchasing. The approval of this policy supersedes and repeals the Purchasing Policy adopted in 1997 and rescinds the Resolution for the procurement of architectural, engineering, and surveying services adopted on November 4, 1991. This Purchasing Policy establishes rules and regulations to govern all purchases and contracts by Randolph County.

Purchasing statutes and rules may change from time to time and this policy shall be updated periodically to reflect these changes.

## **II. ESTABLISHMENT OF THE PURCHASING OFFICE**

The Purchasing Office is hereby established and shall be under the supervision of the Finance Officer. The Purchasing Office has complete authority and responsibility for the control and supervision of the entire purchasing process. For the purpose of this policy, the term "Purchasing Office" shall include the Purchasing Officer as well as all personnel within the Finance Office whose responsibilities involve activities associated with the purchasing process. The purchasing process involves applying laws, regulations, and procedures to secure goods and services suitable to the needs of Randolph County at the lowest possible cost.

Purchasing Office personnel shall be familiar with the North Carolina General Statutes regarding purchasing in order to guide the departments in the procurement of goods and services in compliance with state and local laws.

## **III. PROCEDURES MANUAL**

A purchasing process that has centralized purchasing authority will inevitably need to delegate certain duties to the using departments. It is the responsibility of the Purchasing Office to prepare and maintain a procedures manual that details the purchasing process and any delegated duties. This procedures manual shall include this policy and must be approved and signed by the County Manager. These procedures may be modified at any time as deemed necessary, provided that the procedures remain within the framework of this policy.

The goal of the procedures manual is to establish and implement a system of internal controls that provide reasonable assurance that the County is in compliance with North Carolina General Statutes and this policy. All County personnel shall be subject to the provisions within the procedures manual.

#### IV. **THE DUTIES OF THE PURCHASING OFFICE**

The duties of the Purchasing Office shall include the following:

- A. Prepare and maintain a procedures manual that will be used by all departments of the County.
- B. Supervise procurement transactions for all goods and services for the County.
- C. Provide adequate training necessary for department personnel to adhere to the provisions within this policy and the procedures manual.
- D. Seek competitive bids on goods and services in order to secure the most advantageous prices. Specifications shall not be written so as to limit competition or exclude any qualified vendors.
- E. Establish and maintain a current list of qualified vendors.
- F. Supervise the County's procedures for the recording and maintaining of fixed asset records. For the purpose of this policy, a fixed asset is defined as a tangible item that has an expected useful life of at least two years and has a cost of \$5,000 or more, including delivery and installation.<sup>1</sup>
- G. Supervise the County's procedures for the disposal of surplus property and surplus property records.
- H. Approve and issue all purchase orders and the encumbrance of purchase orders into the accounting system.
- I. Retain documentation of all purchasing records, which shall be subject to public inspection at any time.
- J. Maintain a file of all contracts and be responsible for the preparation of a contract ledger and the encumbrance of contracts into the accounting system.
- K. Report to the County Manager any actions by County personnel that are in violation of North Carolina General Statutes, this policy, approved purchasing procedures, or any other serious actions that are not deemed to be in the best interest of the County.

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<sup>1</sup> **Capitalization Threshold of Assets** adopted at the February 3, 2003 Randolph County Board of Commissioners meeting.

*Will Massie told the Board that Randolph County was in the first year of the new financial reporting model required by Government Accounting Standards Board Statement 34. A new requirement is the reporting of all capital assets and their respective depreciation expenses. Our current threshold has been \$1,500 since 1/1/99. However, capitalization of small dollar items for financial reporting is not an efficient way to control these items. Raising the capitalization levels allows the departments to control low cost, sensitive items and leaves the finance staff free to manage the high dollar items that are more material to the unit's financial reports. But, raising capitalization thresholds does not prevent the use of strong internal control mechanisms to adequately control and safeguard assets. Periodic inventories of these items are taken to ensure control over these assets. The Government Finance Officers Association and the Local Government Commission (LGC) have also recommended a \$5,000 level for local governments.*

*On motion of Frye, seconded by Holmes, the Board voted unanimously to raise the County's capitalization threshold to \$5,000 for financial reporting purposes.*

## **V. AUTHORIZATIONS**

### **A. APPROVAL OF PURCHASES**

The annual budget adopted by the Board of Commissioners serves as *approval* for all purchases and contracts set forth in the budget. The Board of Commissioners must approve any additional funds through a budget amendment.

### **B. AWARD OF BIDS**

The following lines of authority shall be observed in the award of bids for all purchase of apparatus, supplies, materials, or equipment contracts:

- Less than \$10,000 - Purchasing Officer
- At least \$10,000 but less than \$30,000 - County Manager
- \$30,000 and more - Board of Commissioners

The following lines of authority shall be observed in the award of bids for all Construction/Building repair contracts:

- Less than State Informal Bid Limit - County Manager
- State Informal Bid Limit - Board of Commissioners

### **EXCEPTIONS**

1. On August 2, 2001, the North Carolina General Statutes regarding purchasing were amended to adhere to modern procurement practices. Included in the amendment were several exceptions for certain type purchases. This policy shall acknowledge and exempt those exceptions as listed below and authorize the County Manager to award such bids:
  - (a) The purchase, lease, or other acquisition of any apparatus, supplies, materials, or equipment from any other government unit or agency thereof within the United States.
  - (b) Cases of special emergency purchases involving the health and safety of the people or their property.
  - (c) Purchases of information technology through contracts established by the State Office of Information Technology Services,
  - (d) Purchases from contracts established by the State or any agency of the State, if the contractor is willing to extend to a political subdivision of the State the same or more favorable prices, terms, or conditions as established in the State contract.
  - (e) Purchase of used apparatus, supplies, materials, or equipment. For purposes of this subdivision, remanufactured or refabricated apparatus, supplies, materials, or equipment are not included in the exception.
2. The printing of election ballots is a special purchase transaction constrained by time and a specific vendor. Orders submitted in mid-September to a specific vendor who prints ballots for the state as well as other counties must be received before Election Day in early November. The County shall recognize this special case and exempt the purchase of printing election ballots and authorizes the County Manager to approve, award bids, and execute such purchases in order to ensure proper ordering of election ballots in time for Election Day.

**C. SERVICE AND LEASE CONTRACTS (Excludes Construction Services)**

Although the North Carolina General Statutes do not impose requirements upon service and lease contracts, Randolph County shall demonstrate equal opportunity for service and lease contracts by soliciting bids where there is a competitive market for the service or lease and when it is in the best interest of the County. The standard of award shall be made to the best overall proposal and the County Manager is hereby authorized to approve, award bids, and execute service and lease contracts.

**D. CONSTRUCTION OR REPAIR WORK DELEGATION**

The County Manager shall delegate a Project Manager to oversee construction or repair work for each project. The Project Manager shall ensure compliance with applicable NC General Statutes and this policy.

**E. PROCUREMENT OF ARCHITECTURAL, ENGINEERING, AND SURVEYING SERVICES**

Pursuant to North Carolina General Statute 143-64.32, Randolph County is hereby exempt from the provisions of Article 3D of the North Carolina General Statutes on particular projects where an estimated professional fee is in an amount less than thirty thousand dollars (\$30,000). The County Manager is hereby authorized to negotiate and sign contracts for architectural, engineering and surveying services when the estimate amount of the contract is less than thirty thousand dollars (\$30,000) and the funds to pay for the contracted services are properly appropriated.

**F. CHANGE ORDERS**

The County Manager is hereby authorized to approve change orders equal to or less than the amount of contingency in the approved budget ordinance.

**G. DISPOSAL OF PERSONAL SURPLUS PROPERTY**

Pursuant to North Carolina General Statute 160A-266(c), the Board of Commissioners hereby delegates the County Manager to declare surplus any personal property valued at less than thirty thousand dollars (\$30,000) for any one item or group of items, to set its fair market value, and to convey title to the property for the County in accord with regulations. The Purchasing Office shall keep a record of all property sold under this section and that record shall generally describe the property sold or exchanged, to whom it was sold, or with whom exchanged, and the amount of money or other consideration received for each sale or exchange. As outlined in G.S. 160A-270(c), the County Manager shall also authorize the use of electronic auctions for the surplus of personal property.

**VI. ELECTRONIC ADVERTISING**

Pursuant to North Carolina General Statute 143-129(b), Randolph County shall invite formal proposals by advertisement in a newspaper having general circulation in the political subdivision or solely by electronic means, or by both methods.

**VII. MINORITY BUSINESS ENTERPRISE GOAL**

Pursuant to North Carolina General Statute 143-128.2, on April 5, 2004 Randolph County adopted a Minority Business Outreach Plan in which the requirements for good faith efforts for formal construction contracts are outlined and detailed as mandated in G.S. 143-128.2.

**VIII. PURCHASING PROGRAM INTEGRITY**

Randolph County demands only the highest form of honesty and integrity from all County personnel involved in the purchasing process for the County.

This is the \_\_\_\_ day of \_\_\_\_\_ 2001.

\_\_\_\_\_  
Chairman, Board of Commissioners

\_\_\_\_\_  
County Manager

\_\_\_\_\_  
Clerk to the Board

❖ Amended: December 5, 2005 (Section V (B) – Award of Bids; Section V (G) – Disposal of Personal Surplus Property; Section VII – Minority Business Enterprise Goal)